

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT  
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT  
BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA  
Title III

No. 17 BK 4780-LTS

**This Motion relates to PREPA and shall be filed in Lead Case No. 17 BK 3283-LTS and Case No. 17 BK 4780-LTS.**

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

PUERTO RICO ELECTRIC POWER AUTHORITY,

Movant,

v.

ASPENALL ENERGIES SANTA ISABEL, LLC, BLUE BEETLE III, LLC, CARACOL SOLAR, LLC, DESARROLLOS DEL NORTE, INC., GUAYAMA SOLAR ENERGY, LLC, HATILLO SOLAR PLANT, LLC, MOROVIS SOLAR, LLC, RENEWABLE ENERGY AUTHORITY, LLC, RESUN (BARCELONETA), LLC, SIERRA SOLAR FARM, LLC, SOLANER PUERTO RICO ONE, LLC, SOLAR PROJECT SAN JUAN, LLC, SOLARBLUE BEMOGA, LLC, VEGA BAJA SOLAR PROJECT, LLC, and SUNBEAM CARIBBEAN ENERGY CORP, LLC

Respondents.

**Re: ECF Nos. 2893, 2914**

**CERTIFICATE OF NO OBJECTION REGARDING SECOND OMNIBUS MOTION OF  
PUERTO RICO ELECTRIC POWER AUTHORITY FOR ORDER (A) APPROVING  
PREPA'S REJECTION OF CERTAIN POWER PURCHASE AND OPERATING  
AGREEMENTS, AND (B) GRANTING RELATED RELIEF**

To the Honorable United States District Court Judge Laura Taylor Swain:

1. On July 15, 2022, the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”), by its Title III representative, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”),<sup>2</sup> filed the *Second Omnibus Motion of PREPA for Order (a) Approving PREPA’s Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* [Case No. 17 BK 4780-LTS, ECF No. 2893] and *Notice of Second Omnibus Motion of PREPA for Order (a) Approving PREPA’s Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* [Case No. 17 BK 4780-LTS, ECF No. 2894] (the “Notice of Motion”).

2. Attached to the Motion was an unsigned version of the *Declaration of Engineer Mary Carmen Zapata in Respect of Second Omnibus Motion of PREPA for Order (a) Approving PREPA’s Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* (the “Zapata Declaration”) because Ms. Zapata was not available to provide a signature page at the time the Motion was filed. Attached hereto as **Exhibit A** is the Zapata Declaration, as amended and signed, along with a redline comparison of the amendments.

3. The Motion sought an order approving PREPA’s rejection of fifteen non-operational power purchase and operating agreements (the “Rejected PPOAs”) for renewable energy generation projects. A list of the Rejected PPOAs is attached hereto as **Exhibit B**.

4. On August 2, 2022, Elam, LLC (“Elam”), as authorized representative of Commercial Solar Power, Inc. (“CSP”) and on behalf of Blue Beetle III, LLC (“BB3”), filed *Elam, LLC’s Reservation of Rights Filed on Behalf of Blue Beetle III, LLC, with Respect to the Second*

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

*Omnibus Motion of PREPA for Order (a) Approving PREPA's Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* [Case No. 17 BK 4780-LTS, ECF No. 2914] (the "Response"). The Response explicitly does not "object to or oppose the relief requested by the Debtor" in the Motion. Elam Response ¶ 2. Elam only reserves the right to dispute certain "legal and factual assertions in the Motion as they relate to the Blue Beetle PPOA and the rejection damages claim arising from the Blue Beetle PPOA." *Id.* at 3.

5. Responses or objections to the Motion, if any, were to be filed and served no later than August 2, 2022 (the "Objection Deadline"). No other responses or objections were filed in connection with the Motion.

6. According to this Court's *Sixteenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-3283-LTS, ECF No. 20190-1] (the "Case Management Procedures"), the Court may enter an order granting a request for relief without a hearing upon receipt of a certificate of no objection ("CNO", as defined by the Case Management Procedures). *See* Case Management Procedures, III.P. In accordance with the Case Management Procedures, the undersigned hereby certifies that this CNO is filed not less than forty-eight (48) hours after the expiration of the Objection Deadline.

7. The undersigned further certifies that counsel for the Oversight Board has reviewed the Court's docket in the above-captioned cases not less than forty-eight (48) hours after expiration of the Objection Deadline, and, to the best of counsel's knowledge, no applicable objection, responsive pleading, or request for a hearing with respect to the Motion appears on the docket.

WHEREFORE, PREPA respectfully requests the Court enter the Proposed Order attached hereto as **Exhibit C**.

Dated: August 5, 2022

Respectfully submitted,

San Juan, Puerto Rico

/s/ Luis F. del Valle-Emmanuelli  
Luis F. del Valle-Emmanuelli  
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the Commonwealth of Puerto Rico,  
Puerto Rico Electric Power Authority,  
and Puerto Rico Public Buildings  
Authority*

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*Attorneys for the Financial  
Oversight and Management Board  
as representative for PREPA*

**CERTIFICATE OF SERVICE**

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

By: /s/ Luis F. Del Valle-Emmanuelli  
Luis F. Del Valle-Emmanuelli

**Exhibit A**

**Zapata Declaration**

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

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**PROMESA**

**Title III**

**No. 17 BK 3283-LTS**

**(Jointly Administered)**

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LLC, MOROVIS SOLAR, LLC, RENEWABLE  
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LLC, SOLANER PUERTO RICO ONE, LLC, SOLAR  
PROJECT SAN JUAN, LLC, SOLARBLUE  
BEMOGA, LLC, VEGA BAJA SOLAR PROJECT,  
LLC, and SUNBEAM CARIBBEAN ENERGY CORP,  
LLC

Respondents.

 **DECLARATION OF MARY C. ZAPATA ACOSTA IN RESPECT OF SECOND  
OMNIBUS MOTION OF PUERTO RICO ELECTRIC POWER AUTHORITY FOR  
ORDER (A) APPROVING PREPA'S REJECTION OF CERTAIN POWER PURCHASE  
AND OPERATING AGREEMENTS, AND (B) GRANTING RELATED RELIEF**

I, Mary C. Zapata Acosta, under penalty of perjury, declare as follows:

1. I am the Deputy Executive Director of Operations with the Puerto Rico Electric Power Authority ("PREPA"). I am over 18 years of age.

2. In my role as Deputy Executive Director of Operations, I develop policy rationales that inform PREPA's Governing Board regarding project prioritization and approach to project implementation; confer with and advise PREPA's management and Governing Board on Operational matters; among other duties and responsibilities.

3. I am authorized to make and submit this declaration on behalf of PREPA, and I am familiar with certain of the books, records, policies, and documents maintained by PREPA (the "Business Records"). PREPA keeps the Business Records in the regular course of its business. They are made at or near the time of the events appearing therein by, or from information provided by, persons with knowledge of the activity. It is the regular course of business for PREPA to make such records. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have relied on information and analyses provided to me by other PREPA employees and PREPA's advisors. If called and sworn as a witness, I could testify competently thereto.

4. I make this Declaration in respect of the *Second Omnibus Motion of PREPA for Order (a) Approving PREPA's Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* (the "Motion").<sup>2</sup>

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Motion.

### The Rejected PPOAs

5. PREPA is a party to approximately sixty (60) different power purchase and operating agreements, master service agreements, and other agreements for renewable energy projects, under which PREPA agreed to purchase renewable power generated by the developer-counterparties to such contracts (collectively, the “PPOAs”).

6. The fifteen (15) PPOAs set forth in **Exhibit A** to the Motion (the “Rejected PPOAs”) are non-operational. Although the fifteen (15) PPOAs were executed between 2010 and 2013, the projects contemplated under these agreements have not advanced to the construction stage of development, and the few that have commenced the permitting process were, at best, in the early stages. As a result, none of the projects under the Rejected PPOAs would be ready to supply energy to PREPA in the near-term.

7. The Rejected PPOAs include thirteen (13) of sixteen (16) PPOAs that were renegotiated by PREPA and presented to the Oversight Board for approval under its Contract Review Policy under PROMESA § 204(b)(2) in 2020. The sixteen (16) renegotiated PPOAs would have provided approximately 593 MW of renewable power.<sup>3</sup> The Oversight Board declined to approve all sixteen (16) agreements because it determined their pricing was not consistent with the then-certified fiscal plan for PREPA, and they were not procured through a competitive process. The Oversight Board agreed to approve contracts from this group covering up to 150 MW of generation at PREPA’s selection. PREPA then submitted two contracts amounting to this capacity, *Ciro One Salinas* (90MW) and *Xzerta Tec* (60MW), for the Oversight Board’s approval, which it

<sup>3</sup> See Letter from Natalie Jaresko, Exec. Director, FOMB, to Ralph Kreil Rivera, Chairman, PREPA Governing Board (August 17, 2020), at 1–2, *available at*: <https://oversightboard.pr.gov/documents/>.



granted. In addition to these PPOAs, one (1) contract is still under evaluation due to technical constraints, which leaves thirteen (13) of the sixteen (16) PPOAs pending for action.

8. The Rejected PPOAs also include two contracts with the following companies, in addition to the thirteen (13) contracts described in item 7:

a. Aspenall Energies Santa Isabel, LLC

On December 13, 2011, PREPA and Aspenall Energies Santa Isabel, LLC entered into a PPOA relating to the purchase of renewable energy from a wind turbine generator system project with a capacity of 10 MW to be located in the municipality of Santa Isabel, Puerto Rico (the "Aspenall PPOA"). The Aspenall PPOA project is non-operational and would price energy generated from this project at \$ 0.125 / kWh and Renewable Energy Certificates ("CERs") at \$ 0.025 / kWh. The initial price is subject to an uncapped annual escalation of one and a half percent (1.5%).

b. Sunbeam Caribbean Energy Corporation

On February 23, 2010, PREPA and Sunbeam Caribbean Energy Corporation entered into a PPOA relating to the purchase of renewable energy generated by fuel derived from municipal solid waste from a facility with a capacity of approximately 10 MW to be located in the municipality of Barceloneta, Puerto Rico (the "Sunbeam PPOA"). The Sunbeam PPOA project is also non-operational and would price energy generated from this project at \$ 0.10 / kWh subject to a variable annual escalation based on the United States Price Index of no more than four percent (4%).

9. The prices originally agreed under the Aspenall PPOA and Sunbeam PPOA were above the then-current market price and include uncapped escalation over the life of the agreements. If developed under the current terms without a competitive process, the energy prices

and contractual conditions in the Aspenall PPOA and Sunbeam PPOA would have imposed a larger financial burden on PREPA and the ratepayers of Puerto Rico than contemplated in the certified fiscal plan for Puerto Rico.

10. In addition, each of the Rejected PPOAs allows PREPA to terminate without further liability if the counterparty to the Rejected PPOAs does not achieve its "Commercial Operation Date" within a specified period. In addition, nearly all of the Rejected PPOAs provide PREPA with a termination right if the counterparty does not achieve "Commencement of Construction" within a specified timeframe. In each case, the parties to the Rejected PPOAs have failed to achieve the specified Commercial Operation Date or Commencement of Construction requirements (or both). Therefore, PREPA was entitled to terminate the Rejected PPOAs without further liability or incurring any rejection damage claims.

11. PREPA has thus determined that rejecting and terminating the Rejected PPOAs will provide cost savings without compromising the utility's ability to access reliable and continuous power sources, as needed, on reasonable terms.

12. Based on the foregoing, PREPA determined these Rejected PPOAs should be terminated because PREPA cannot perform any obligations under contracts the Oversight Board has disapproved, and regardless none of the Rejected PPOAs are likely to result in projects capable of delivering any renewable power to PREPA, let alone at prices consistent with PREPA's fiscal plan.

13. On May 3, 2021, PREPA's Governing Board authorized the termination and rejection of the thirteen Rejected PPOAs that were not approved by the Oversight Board as described above.<sup>4</sup> Subsequently, PREPA determined to terminate and reject the Aspenall PPOA

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<sup>4</sup> See Resolution 4881, *Rejection of Non-Operating Renewable Energy PPOAs*, PREPA Governing Board, May 3,

and Sunbeam PPOA. Pursuant to such authorization, PREPA notified each of the counterparties to the Rejected PPOAs that it had exercised its termination right. Because the Rejected PPOAs were executory as of the Petition Date, PREPA desires to reject the Rejected PPOAs pursuant to section 365 of the Bankruptcy Code to avoid any arguments about the efficacy of its terminations or allowance of any damages related thereto.

14. PREPA is in the process of procuring alternative renewable energy generation through a competitive RFP process it believes will result in pricing that reflects the current market for renewable utility-scale energy, from credible renewable energy contractors. Rejection of the Rejected PPOAs will therefore not impair PREPA's ability to comply with renewable energy requirements under applicable law and regulations. Moreover, PREPA cannot realistically monetize the Rejected PPOAs by assuming and assigning any of them to third parties. No realistic alternative counterparty for the purchase of power exists in Puerto Rico, and even if there were such alternatives, any third party would also find the Rejected PPOAs overpriced in the current market.

*[Remainder of Page Intentionally Left Blank]*

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2021, available at <https://aeepr.com/en-us/jg/Pages/ResolucionesJG.aspx>.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

August 3, 2022



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Mary C. Zapata Acosta  
Deputy Executive Director of  
Operations  
Puerto Rico Power Authority

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I, Mary C. Zapata Acosta, under penalty of perjury, declare as follows:<sup>2</sup>

1. I am the Deputy Director of Operations ~~Executive Subdirector~~ with the Puerto Rico Electric Power Authority (PREPA). I am over 18 years of age.

2. In my role as Deputy Director of Operations ~~Executive Subdirector~~, I develop policy rationales that inform PREPA's Governing Board regarding project prioritization and approach to project implementation; confer with and advise PREPA's management and Governing Board on Operational matters; among other duties and responsibilities.

3. I am authorized to make and submit this declaration on behalf of PREPA, and I am familiar with certain of the books, records, policies, and documents maintained by PREPA (the Business Records). PREPA keeps the Business Records in the regular course of its business. They are made at or near the time of the events appearing therein by, or from information provided by, persons with knowledge of the activity. It is the regular course of business for PREPA to make such records. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have relied on information and analyses provided to me by other PREPA employees and PREPA's advisors. If called and sworn as a witness, I could testify competently thereto.

4. I make this Declaration in respect of the *Second Omnibus Motion of PREPA for Order (a) Approving PREPA's Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* (the "Motion").<sup>32</sup>

<sup>2</sup> ~~Ms. Zapata was unavailable to provide a signature page at the time of filing. A signed version of this declaration will be filed as soon as practicable.~~

<sup>32</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Motion.

### **The Rejected PPOAs**

5. PREPA is a party to approximately sixty (60) different power purchase and operating agreements, master service agreements, and other agreements for renewable energy projects, under which PREPA agreed to purchase renewable power generated by the developer-counterparties to such contracts (collectively, the ‘PPOAs’).

6. The fifteen (15) PPOAs set forth in **Exhibit A** to the Motion (the ‘Rejected PPOAs’) are non-operational. Although the ~~Rejected~~fifteen (15) PPOAs were executed between 2010 and 2013, the ~~vast majority of the~~ projects contemplated under these agreements have not advanced to the construction stage of development, and the few that have commenced ~~construction are~~the permitting process were, at best, in the early stages. As a result, none of the projects under the Rejected PPOAs would be ready to supply energy to PREPA in the near-term.

7. The Rejected PPOAs include thirteen (13) of sixteen (16) PPOAs that were renegotiated by PREPA and presented to the Oversight Board for approval under its Contract Review Policy under PROMESA § 204(b)(2) in 2020. These sixteen (16) renegotiated PPOAs would have provided approximately 593 MW of renewable power.<sup>43</sup> The Oversight Board declined to approve all sixteen (16) agreements because it determined their pricing was not consistent with the then-certified fiscal plan for PREPA, and they were not procured through a competitive process. The Oversight Board agreed to approve contracts from this group covering up to 150 MW of generation at PREPA’s selection. PREPA then submitted two ~~of these contracts~~for contracts amounting to this capacity, Ciro One Salinas (90MW) and Xzerta Tec (60MW), for the Oversight Board’s approval, which it granted. In addition to these PPOAs, one (1) contract is

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still under evaluation due to technical concerns, which leaves thirteen (13) of the sixteen (16) PPOAs pending for action.

8. ~~Based on the foregoing, PREPA determined these thirteen Rejected PPOAs should be terminated because PREPA cannot perform any obligations under contracts the Oversight Board has disapproved, and regardless none of the Rejected PPOAs are likely to result in projects capable of delivering any renewable power to PREPA, let alone at prices consistent with PREPA's fiscal plan.~~The Rejected PPOAs also include two contracts with the following companies, in addition to the thirteen (13) contracts described in item 7:

a. Aspenall Energies Santa Isabel, LLC

~~9.~~—On December 13, 2011, PREPA and Aspenall Energies Santa Isabel, LLC entered into a PPOA relating to the purchase of renewable energy from a wind turbine generator system project with a capacity of 10 MW to be located in the municipality of Santa Isabel, Puerto Rico (the “Aspenall PPOA”). The Aspenall PPOA project is non-operational and would price energy generated from this project at \$ 0.125 / kWh and Renewable Energy Certificates (“CERs”) at \$ 0.025 / kWh. The initial price is subject to an uncapped annual escalation of one and a half percent (1.5%).

b. Sunbeam Caribbean Energy Corporation

~~10.~~—On February 23, 2010, PREPA and Sunbeam Caribbean Energy Corporation entered into a PPOA relating to the purchase of renewable energy generated by fuel derived from municipal solid waste from a facility with a capacity of approximately 10 MW to be located in the municipality of Barceloneta, Puerto Rico (the “Sunbeam PPOA”). The Sunbeam PPOA project is also non-operational and would price energy generated from this project at \$ 0.10 /

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9. The prices originally agreed under the Aspenall PPOA and Sunbeam PPOA were above the then-current market price and include uncapped escalation over the life of the agreements. If developed under the current terms without a competitive process, the energy prices and contractual conditions in the Aspenall PPOA and Sunbeam PPOA would have imposed a larger financial burden on PREPA and the ratepayers of Puerto Rico than contemplated in the certified fiscal plan for Puerto Rico.

10. In addition, each of the Rejected PPOAs allows PREPA to terminate without further liability if the counterparty to the Rejected PPOAs does not achieve its "Commercial Operation Date" within a specified period. In addition, nearly all of the Rejected PPOAs provide PREPA with a termination right if the counterparty does not achieve "Commencement of Construction" within a specified timeframe. In each case, the parties to the Rejected PPOAs have failed to achieve the specified Commercial Operation Date or Commencement of Construction requirements (or both). Therefore, PREPA was entitled to terminate the Rejected PPOAs without further liability or incurring any rejection damage claims.

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capable of delivering any renewable power to PREPA, let alone at prices consistent with PREPA's fiscal plan.

13. On May 3, 2021, PREPA's Governing Board authorized the termination and rejection of the thirteen Rejected PPOAs that were not approved by the Oversight Board as described above.<sup>54</sup> Subsequently, PREPA determined to terminate and reject the Aspenall PPOA and Sunbeam PPOA. Pursuant to such authorization, PREPA notified each of the counterparties to the Rejected PPOAs that it had exercised its termination right. Because the Rejected PPOAs were executory as of the Petition Date, PREPA desires to reject the Rejected PPOAs pursuant to section 365 of the Bankruptcy Code to avoid any arguments about the efficacy of its terminations or allowance of any damages related thereto.

14. PREPA is in the process of procuring alternative renewal energy generation through a competitive RFP process it believes will result in pricing that reflects the current market for renewable utility-scale energy, from credible renewable energy contractors. Rejection of the Rejected PPOAs will therefore not impair PREPA's ability to comply with renewable energy requirements under applicable law and regulations. Moreover, PREPA cannot realistically monetize the Rejected PPOAs by assuming and assigning any of them to third parties. No realistic alternative counterparty for the purchase of power exists in Puerto Rico, and even if there were such alternatives, any third party would also find the Rejected PPOAs overpriced in the current market.

*[Remainder of Page Intentionally Left Blank]*

<sup>54</sup> See Resolution 4881, *Rejection of Non-Operating Renewable Energy PPOAs*, PREPA Governing Board, May 3, 2021, available at <https://acepr.com/en-us/jg/Pages/ResolucionesJG.aspx>.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

~~July 15~~, August \_\_\_\_\_, 2022

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Mary C. Zapata Acosta  
~~Executive Subdirector~~  
Deputy Director of Operations  
Puerto Rico Power Authority

Document comparison by Workshare 9.5 on Friday, August 5, 2022 10:15:25 AM

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**Exhibit B**

**List of Rejected PPOAs**

1. Power Purchase and Operating Agreement between Sunbeam Caribbean Energy Corp, LLC and PREPA, dated February 23, 2010, Contract No: 2010-AI0031.
2. Renewable Power Purchase and Operating Agreement between Aspenall Energies Santa Isabel, LLC and PREPA, dated December 13, 2011, Contract No. 2012-P00089.
3. Renewable Power Purchase and Operating Agreement between Blue Beetle III, LLC and PREPA, dated October 31, 2011, amended on May 8, 2014, Contract No. 2012-P00037.
4. Renewable Power Purchase and Operating Agreement between Caracol Solar, LLC (Roma Solar, LLC) and PREPA, dated July 20, 2012, amended on December 17, 2012, Contract No. 2013-P00004.
5. Renewable Power Purchase and Operating Agreement between Desarrollos del Norte, Inc. (Atenas Solar Farm) and PREPA, dated December 28, 2012, as amended on May 26, 2014, Contract No. 2013-P00070.
6. Renewable Power Purchase and Operating Agreement between Guayama Solar Energy, LLC and PREPA, dated October 22, 2010, as amended November 18, 2011, and July 30, 2014, Contract No. 2011-P00042.
7. Renewable Power Purchase and Operating Agreement between REA Energy Hatillo Solar Plant, LLC (Renewable Energy Authority/REA Energy, LLC) and PREPA, dated December 13, 2011, Contract No. 2013-P00075.
8. Renewable Power Purchase and Operating Agreement between Morovis Solar, LLC (Irradia Energy) and PREPA, dated December 8, 2011, amended on May 9, 2012 and May 23, 2014, Contract No. 2012-P00053.
9. Renewable Power Purchase and Operating Agreement between Renewable Energy Authority, LLC (Vega Serena) and PREPA, dated November 21, 2011, as amended on May 21, 2014, Contract No. 2012-P00045.
10. Renewable Power Purchase and Operating Agreement between ReSun (Barceloneta), LLC and PREPA, dated December 16, 2011, as amended on September 19, 2012 and May 16, 2014, Contract No. 2012-P00061.
11. Renewable Power Purchase and Operating Agreement between Sierra Solar Farm, LLC (Roma Solar, LLC) and PREPA, dated December 18, 2012, Contract No. 2013-P00072.

12. Renewable Power Purchase and Operating Agreement between Solaner Puerto Rico One, LLC and PREPA, dated June 13, 2012, as amended on May 27, 2014, and May 29, 2015, Contract No. 2012-P00146.
13. Renewable Power Purchase and Operating Agreement between Solar Project San Juan, LLC (Fonroche Energy America, Inc.) and PREPA, dated October 10, 2012, Contract No. 2013-P00048.
14. Renewable Power Purchase and Operating Agreement between SolarBlue Bemoga, LLC and PREPA, dated October 10, 2012, as amended on April 4, 2014, Contract No. 2013-P00052.
15. Renewable Power Purchase and Operating Agreement between Vega Baja Solar Project, LLC (Fonroche Energy America, Inc.) and PREPA, dated October 10, 2012, Contract No. 2013-P00050.

**Exhibit C**

**Proposed Order**

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT  
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>3</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT  
BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

<sup>3</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

PUERTO RICO ELECTRIC POWER AUTHORITY,

Movant,

v.

ASPENALL ENERGIES SANTA ISABEL, LLC, BLUE BEETLE III, LLC, CARACOL SOLAR, LLC, DESARROLLOS DEL NORTE, INC., GUAYAMA SOLAR ENERGY, LLC, HATILLO SOLAR PLANT, LLC, MOROVIS SOLAR, LLC, RENEWABLE ENERGY AUTHORITY, LLC, RESUN (BARCELONETA), LLC, SIERRA SOLAR FARM, LLC, SOLANER PUERTO RICO ONE, LLC, SOLAR PROJECT SAN JUAN, LLC, SOLARBLUE BEMOGA, LLC, VEGA BAJA SOLAR PROJECT, LLC, and SUNBEAM CARIBBEAN ENERGY CORP, LLC

Respondents.

**[PROPOSED] ORDER GRANTING SECOND OMNIBUS MOTION OF PUERTO RICO ELECTRIC POWER AUTHORITY FOR ORDER (A) APPROVING PREPA'S REJECTION OF CERTAIN POWER PURCHASE AND OPERATING AGREEMENTS, AND (B) GRANTING RELATED RELIEF**

Upon the *Second Omnibus Motion of PREPA for Order (a) Approving PREPA's Rejection of Certain Power Purchase and Operating Agreements, and (b) Granting Related Relief* (the "Motion")<sup>4</sup>; and the Court having found it has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Court having found the rejection of the Rejected PPOAs represents a sound exercise of PREPA's business judgment and that the relief requested in the Motion is in the best interests of PREPA, its creditors, its customers, and other parties in interest; and the Court having found that PREPA provided adequate and appropriate notice of the Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Motion and the Zapata Declaration; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined no objections have been filed opposing the relief requested in the Motion; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

**THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.
2. Pursuant to section 365 of the Bankruptcy Code, made applicable in this Title III Case by PROMESA section 301(a), PREPA's rejection of the Rejected PPOAs listed on **Exhibit A** attached to the Motion is approved and such Rejected PPOAs shall be automatically rejected upon entry of this Order.

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<sup>4</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

3. All claims based on the rejection of the Rejected PPOAs, if any, must be filed on or before 4:00 p.m. (Atlantic Standard Time) on the first business day that is thirty-five (35) calendar days after the entry of the Order by the Court approving such rejection.

4. Nothing herein invokes any consent under PROMESA section 305.

5. Notwithstanding any applicability of any Bankruptcy Rule, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. PREPA and the Oversight Board, as PREPA's Title III representative, are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this Order in accordance with the Motion.

7. The Court shall retain exclusive jurisdiction to hear and determine any and all disputes related to or arising from the implementation, interpretation and enforcement of this Order.

Dated: \_\_\_\_\_, 2022

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HONORABLE LAURA TAYLOR  
SWAIN  
United States District Judge